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Gardner Pinfold Consulting Economists Ltd.

A STUDY OF THE SEASONAL/HARVEST LABOUR ISSUES IN THE NOVA SCOTIA AGRICULTURE SECTOR

PREPARED FOR:

NOVA SCOTIA AGRICULTURE ADJUSTMENT COMMITTEE

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EXECUTIVE SUMMARY

Background

Agriculture industry concerns, regarding the farm labour situation in Nova Scotia, led to the formation of the Agriculture Adjustment Committee. The joint industry and government committee was established in February, 1989. The Committees' primary purpose is to provide accurate and current information on the farm labour issues in Nova Scotia and solutions or recommendations to these problem areas. It is this Committee that has commissioned a study to help identify and provide solutions to the labour problems facing farmers in Nova Scotia. The study has been undertaken by Gardner Pinfold Consulting Economists Limited of Halifax, Nova Scotia.

Study Objectives

The committee has agreed to examine how agriculture, or more specifically, how the strawberry, blueberry, vegetable, fruit, tobacco and dairy sectors might:

1) Compete equitably for scarce human resources available.

2) Identify issues that are keeping workers out of agriculture industries and/or who are leaving it.

3) Ask the right questions of the right people so that the industry, government and labour force will be satisfied with the results.

4) Produce recommendations based on sound research for industry and government action.

Study Approach

To achieve the study objectives, the consultant undertook several research activities to assess the farm labour situation in Nova Scotia, including:

- A review of legislative regulations that affect agriculture;
- A review of national, provincial and regional labour markets;
- Surveys of farmers and farm workers, in each of the six commodities covered by this study, were conducted;
- The survey findings and key issues were reviewed by the consultant with each commodity group.

The survey of farmers and farm workers constituted the most significant input to the study.

The survey of farm owners/operators was done through a self-administered mail out questionnaire. The survey was conducted in May and June of 1990. The farmer/operator questionnaire was designed to collect considerable baseline data on farmers' labour requirements, the characteristics of their work force, and the extent of their particular labour problems. The farmers were also asked for their opinions on the causes of labour problems in the agriculture sector. In total, 944 farmer surveys were mailed out and 361 were returned for an overall response rate of almost 40 percent.

The survey of farm workers was conducted by telephone during the months of September and October 1990. The farm worker questionnaire was designed to collect information directly from the farm worker on their experiences working in the farm sector and on their opinions about farm work. This proved to be the most interesting input to the study. The workers were generally very interested in participating in the study and provided much useful information[ES1]. Just over 400 telephone interviews were completed with farm workers.

Study Findings

The surveys of farmers and farm workers has documented the farm labour situation for the commodities studied in Nova Scotia. The data collected provides baseline information on labour supply and demand, farmer and worker opinion and various facets of farm work and future labour needs of the farm sector. A number of issues related to the farm labour situation emerged through the analysis of the survey results. These issues are developed and analyzed in this report. Much of the analysis focuses on problems associated with the harvest labour needs of farmers in these sectors. This reflects the emphasis given to this aspect of the farm labour situation through the course of the study. Most workers surveyed in all sectors, except dairy, were primarily harvest workers.

ES1 The telephone marketing company reported to the consultant that the refusal rate by the farm workers was the lowest they have ever encountered, it was less than 5 percent.

The results of the survey of farmers confirms the agriculture commodities examined in this study are experiencing difficulty fulfilling their labour needs. The specific problems vary from commodity to commodity, but in each sector 30-50 percent of producers report they experience difficulty recruiting and maintaining sufficient workers. Problems were reported across operations of all sizes.

For some farmers, the problems led to crop losses, either in terms of quantity harvested or in the quality of product produced. Many farmers also reported they have restricted expansion plans due to the uncertainty of future labour supply.

The fundamental cause of farm labour difficulties, for the farm commodities examined in this study, can be attributed to an imbalance in the labour market. The demand for workers (or the number of jobs available) exceeds the available supply of willing and able employees. This is not an unusual circumstance in a normally functioning labour market. Indications are the current Nova Scotia agriculture labour situation will persist through the 1990s.

Farmers must compete with other economic sectors for employees. The jobs they offer in many cases do not constitute what many workers consider viable occupations, this is especially true for harvest jobs. Relative to other employment opportunities the farm jobs are often perceived as low paying, physically demanding and of short duration. Other sectors can and do offer jobs which are more attractive to the potential worker.

The main challenge facing the farm sector, is to enhance the viability of the jobs they offer in the labour market, so they can compete with other sectors for a sufficient supply of workers.

Farmers will need to become better managers of the human resource. They must plan overall farm production accounting for labour requirements carefully. They must become effective labour managers from the perspective of knowing how to, both recruit and maintain an adequate work force.

Farmers must also bear in mind that present federal government policy[ES2] is shifting toward upgrading persons so that they can earn a relatively better living by working at a job which pays better and lasts longer than their present occupation. This labour force strategy will work against sectors that employ workers on a seasonal basis, including the agriculture sector, unless ways can be found to make employment opportunities more viable in terms of income potential and duration of employment. By improving the viability of farm jobs, the agriculture sector can use the development strategy to their advantage.

Conclusions and Recommendations

To overcome labour problems in the farm sector, specific action is required. Conclusions and recommendations based on the analysis done in this report are as follows.

Labour Management

Given that the current Nova Scotia agriculture situation will persist through the 1990s, farmers will need to become better managers of the human resource. They must plan overall farm production accounting for labour requirements carefully. They must become effective labour managers from the perspective of knowing how to both recruit and maintain an adequate work force. In relation to labour management, the consultant makes the following two recommendations:

1. *Farmers must assign priority to upgrading their labour management skills. As a first step, they should participate in the training programs that are presently offered through the offices of Agriculture Employment Services.*

2. *Farm organizations and commodity groups should endeavor to promote to members the concept of labour management as integral part of overall farm management.*

ES2 Success in the Works, A Policy Paper, Employment and Immigration Canada 1989. This paper set out the elements of a new Labour Force Development Strategy.

Competition with Other Sectors for Labour

Farmers must compete with other economic sectors for employees. The jobs they offer in many cases (particularly harvest related) do not constitute what many workers consider viable occupations. Relative to other employment opportunities, the farm jobs are often perceived as low paying, physically demanding and of short duration. Other sectors can and do offer jobs which are more attractive to the workers. To deal with this competition and to enhance the overall viability of farm occupations, the consultant makes recommendations under the headings of Wages and Benefits, Duration of Employment and Worker Loyalty.

Wages and Benefits

1. *Farmers who pay harvest help on a piece rate basis should devise a pay scale that ensures workers some minimal level of earnings. This is in recognition that there are times when the product is not plentiful enough for workers to earn sufficient income to make it worth while.*

2. *Farmers should carefully assess their ability to offer additional non-wage benefits for all farm labour.*

Duration of Employment

3. *Every attempt should be made by farmers and farm organizations to encourage and facilitate the cross over of harvest workers from one agriculture sector to another. (Peak requirements across most of the sectors reviewed in this study occur at different points in time and should allow for this transition within geographic and school year limitations).*

4. *The feasibility of establishing a private sector harvest contracting service should be investigated jointly by the commodity groups that have significant labour demands for short periods of time.*

Worker Loyalty

5. *Farmers should provide extra incentive for harvest workers to return to their farms from year to year. A financial incentive through a system where workers are paid a higher rate of pay for each season they return to work will give workers greater reason to come back and work for the same farmers and thereby build a greater worker/farmer loyalty.*

Training

Farmers must be aware the present federal government policy is aimed at upgrading persons skill levels so that they can earn a relatively better living by working at a job which pays better and lasts longer than their present occupation. This labour force strategy will work against the agriculture sector unless ways can be found to make employment opportunities more viable in terms of income potential and duration of employment. The governments labour force development strategy can also be used to upgrade the skill levels of farm workers. It is also important to note that skill training increases a workers sense of attachment to various types of work and may help the agriculture sector establish a more stable work force. Specifically, based on the findings of this report, the consultant makes the following four recommendations:

1. *Worker training courses for full-time and seasonal workers be developed for each sector in a similar format to the short courses offered through the Vocational and Continuing Education Program at the Nova Scotia Agriculture College (NSAC). There is sufficient interest in each commodity for commodity groups to review what is presently offered through NSAC and work with department officials to design course curriculum for farm workers appropriate to their specific commodity needs.*

2. *Based on the survey there appears to be sufficient interest in having a course developed for farm supervisors. This should be investigated.*

3. *To help overcome the shortage of skilled herds people in the dairy sector the Maritime Farm Certificate program should be more widely publicized to attract interested participants. In turn, a sufficient number of positions in the program should be allocated to meet the dairy industry needs.*

4. *Given the interest by harvest workers in participating in a farm workers skills training course, such a course should be developed and offered to workers as soon as possible. The commodity groups should take the lead in sponsoring development of the course to ensure the content reflects the needs of the farm employers they represent.*

New Worker Orientation

Both the surveys and discussions with commodity groups revealed that commodities which hire harvest workers must recruit a significant number of new

participants for each harvest season. Most of these commodities also reported a significant turnover of new workers, people who come to work for a few days or less and do not return to complete the harvest. Two factors contribute to workers quitting prematurely. First, since wages are paid on a piece rate basis, new workers often experience low initial earnings. Second, many first-time workers are not in good enough physical condition to cope with the physical rigors of the work. The consultant recommends:

1. *Farmers assess their individual need to subsidize the initial wage earned by new harvest workers to offset the initial discouragement caused by low earnings.*

2. *It will be in the interest of the farmer to advise new recruits in advance of the physical requirements of the work. If a harvest worker training course is available, as recommended above, new recruits should be encouraged to participate. Farmers must be sensitive to the fact when work starts, not all workers will be able to proceed at full speed. When necessary, new recruits should be advised to ease in to the work by only working perhaps a half a day for the first few days and if necessary take a day off.*

Technology

Technology often provides solutions for industries experiencing labour supply difficulties. A prime example of how technology can provide a labour solution is the recent experience of the blueberry sector in Nova Scotia with the introduction of mechanical harvesting. For the other commodities, the consultant recommends:

1. *Commodity groups continue to express interest in new technology aimed at reducing labour requirements. The Agriculture Development Agreement is a potential source of financial assistance, both for the development of new technology and or the assessment of technology used in other areas that could be adapted for use in Nova Scotia.*

Image of Agriculture Work

Farmers reported their industry experiences difficulty in recruiting sufficient workers because of the poor public image of farm work. In their view, the general population sees farm work as low paying, physically demanding and not very satisfying. The survey of workers showed that for the vegetable, fruit, dairy and

tobacco sectors the public image of farm work did not correspond with the experience of workers in those sectors. The survey did indicate the public perception and actual experience in the strawberry and blueberry sectors do correspond more closely. To improve the public image of farm work the consultant recommends:

1. *The agriculture sector, through its various member organizations, retain the services of a public relations expert to advise on what can be done to promote farm work to the general public in a more positive way.*

The lower level of job satisfaction in the strawberry and blueberry sectors appears attributable to work conditions and the fact most of the work force are youths less than 18 years of age. The consultant recommends:

2. *These commodity groups sponsor a study (or establish a commodity task force) of what can be done to improve work conditions in these sectors. In addition, they should develop a strategy aimed at attracting older individuals to their work force.*

Shortage of Relief Milkers in the Dairy Sector

Based on the results of both the farmer and farm worker survey, the work schedule is an important labour issue in the dairy industry. In order to schedule more complete days off for either workers or themselves, farmers need access to part-time help that are capable of acting as relief milkers. The dairy farmer survey indicates that knowledgeable and capable people are not widely available to fill this need. The consultant recommends:

1. *Dairy farmers by either working together or through their commodity organization devise a solution to this problem. The commodity group should examine this issue in detail and consider sponsoring an industry service that could hire and make available relief milkers to their members. The industry should review what has been done in other jurisdictions to deal with this difficulty.*

Agriculture Employment Tax Credit

The Nova Scotia Fruit Growers Association has put forward a proposal through the Nova Scotia Federation of Agriculture, for agriculture labour to qualify for a $3,000 annual tax credit. Their argument is that this provision in the tax system would encourage a significant number of people to consider farm harvest work a reasonable way to earn extra money. The consultant recommends that:

1. *Commodity groups in Nova Scotia continue lobbying efforts to have agriculture labour tax credit put in place as a way to encourage workers (who may have other jobs) to earn extra money by harvesting agriculture crops.*

Social Assistance Programs

As noted in Chapter 3, social assistance programs do provide eligible persons with a significant source of income. This level of income, combined with the logistics of single people with dependents entering the work force for relatively temporary situations like harvest work, provide a real disincentive for their participation in short-term work. The financial incentive offered by temporary jobs in the agriculture sector are not great enough to attract them into the work force on a short term basis.

Until harvest work becomes a more viable occupation, in terms of financial remuneration and length of employment, it will be difficult for farmers to secure many workers from this group. By following through on the above recommendations, the farm sector may be able to improve the viability of the jobs they offer, which will in turn allow them to attract people on assistance to work in the farm sector.

However, given the number of people who receive these benefits, efforts should be made to make sure these persons are aware of the employment opportunities in this sector. The consultant recommends:

1. *Farm organizations also work with social agencies to ensure their clients are aware of the income opportunities offered by participating in various harvest activities.*

In addition, many farmers feel the eligibility criteria associated with social assistance programs discourage people from participating in farm work. The consultant recommends:

2. *Farm organizations should lobby the various social assistance program planners and policy makers to ensure that, where ever possible, program criteria does not negatively affect the agriculture farm labour situation.*

Unemployment Insurance Program

As part of the governments Labour Force Development Strategy, a number of revisions have been made to the unemployment insurance program. Several of these may directly affect the present farm labour situation in Nova Scotia. At this point in time, it is difficult to predict the specific impacts these changes will have. However, with the increased emphasis on training those on unemployment insurance the agriculture sector could lose members of its work force as they are trained in other occupations. To ensure this strategy does not negatively affect the farm labour situation the consultant recommends:

1. *The farm sector in Nova Scotia develop an overall strategy aimed at utilizing elements of the Labour Force Development Strategy to enhance the human resource skills of the farm work force. The federal government's implementation of this strategy may provide a potential source of funding for the training programs recommended above.*

The method used to calculate harvest workers U.I. weekly benefits appears to act as a disincentive for individuals to participate in harvest work. In the consultants opinion, circumstances that led to fishermen being allowed to base benefits on the 10 best weeks are similar to those faced by farm harvest workers. Applying a similar solution to the farm harvest worker problem, appears both reasonable and equitable. The consultant recommends that:

2. *Commodity groups in Nova Scotia lobby Employment and Immigration Canada to calculate farm harvest workers U.I. benefits so that low earnings toward the end of the season do not result in lower benefits.*

Awareness of Various Government Acts and Regulations

The farmer questionnaire sought farmer opinion on the affects governments acts and regulations have on farmers ability to recruit and retain farm workers. Up to 50 percent of farmers in all sectors were not familiar enough with; the Labour Standard Code, the Occupational Health and Safety Act and the Workers' Compensation Act, to provide comment on their impacts. Since many farmers are major employers knowledge and understanding of these acts and regulations is imperative. The consultant recommends:

1. *Farm organizations take steps to ensure farm employers are aware of and understand the provisions of the above noted acts and regulations. Preparation of a descriptive brochure targeted to farmers should be undertaken.*